REMARKS

Applicants cancel claims 10 and 12. Claims 1-9, and 11 are pending in the application. Applicants amend claims 1-2, 4, 6-7, 9, and 11 for clarification, and refer to Figs. 6-9 and their corresponding description—including page 25, lines 25-29—in the specification for exemplary embodiments of and support for the claimed invention. No new matter has been added..

Claims 9 and 11 stand rejected under 35 U.S.C. § 101 as being directed to nonstatutory subject matter.

Applicants amend claims 9 and 11 in accordance with the Examiner's suggestion, and respectfully request that the Examiner withdraw the § 101 rejection.

Claims 1, 6, and 9-10 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,634,012 to <u>Stefik et al.</u>; and claims 2-5, 7-8, and 11-12 stand rejected under 35 U.S.C. §103(a) as being unpatentable over <u>Stefik et al.</u> in view of U.S. Patent No. 5,872,588 to <u>Aras et al.</u> Applicants amend claims 1-2, 4, 6-7, 9, and 11 in a good faith effort to clarify the invention as distinguished from the cited references, and respectfully traverse the rejections.

The Examiner relied upon description in <u>Stefik et al.</u> of attaching usage rights to digital work and redundantly transmitting billing information from both an access granting repository and an access requesting repository as alleged disclosure of the claimed digital information providing functionality to transmit contents distributing history at a user terminal. Applicants respectfully point out that the usage rights described in the cited portions of <u>Stefik et al.</u> merely define usage rights of the digital works they are attached to, and, therefore, do not themselves provide functionality to a user terminal to monitor and store usage history at the user terminal. Indeed, the portions of <u>Stefik et al.</u> cited against the claimed digital information embedding features—col. 8, lines 4-9, 10-20, 57-67; col. 9, lines 8424846.1

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1-5; col. 10, lines 24-34, 45-67; col. 11, lines 1-13; col. 17, lines 48-67; col. 18, lines 1-45; and Fig. 3—only include description of usage rights and "digital work state information" that are restricted to repositories and that merely reflect a state of a corresponding work. Such

are restricted to repositories and that merely reflect a state of a corresponding work. Such portions do not include any disclosure of providing functionality to a user terminal to monitor, and store, a contents utilizing history at the user terminal or to the contents utilizing history being stored permanently as long as the contents is utilized.

In other words, Stefik et al., as cited and relied upon by the Examiner, fail to disclose,

"[a] method for managing fees of contents in which the fees arise based on a predetermined charging rule upon distributing the contents, said method comprising the steps of: equipping information gathering means on a network with which a user terminal is allowed to connect, said user terminal carrying out information processing by utilizing said contents:

embedding digital information to said contents, <u>said</u> digital information itself providing functionality to said user terminal to autonomously monitor, and store, a contents utilizing history at the user terminal, and transmit the stored contents utilizing history along with identification information to said information gathering means at a predetermined timing while said user terminal is connected with said network;

distributing said contents with said digital information being embedded through a predetermined distribution mechanism:

holding, by predetermined identification information holding means, identification information for identifying said distributed contents and said distribution mechanism;

counting a distribution condition of contents per distribution mechanism based on said contents distributing history gathered through said information gathering means and said identification information held by said identification information holding means; and

determining a charging amount per distribution mechanism based on said counted distribution condition and a charging rule for said contents,

wherein the contents utilizing history is stored permanently as long as the contents is utilized," as recited in claim 1. (Emphasis added)

Accordingly, Applicants respectfully submit that claim 1 is patentable over <u>Stefik et al.</u> for at least the foregoing reasons. Claims 6 and 9 incorporate features that correspond to 84242846 1

those of claim 1 described above, and are, therefore, patentable over Stefik et al. for at least

the same reasons.

The Examiner cited Aras et al. as a combining reference to specifically address the

respective additional features recited in claims 2-5, 7-8, and 11-12. And claims 2, 4, 7, and

11 incorporate features that correspond to those of claim 1 cited above. As such, the addition

of this reference would still have failed to cure the above-described deficiencies of Stefik et

al., even assuming, arguendo, that such an addition would have been obvious to one skilled in

the art at the time the claimed invention was made. Accordingly, Applicants respectfully

submit that claims 2, 4, 7, and 11, together with claims 3, 5, and 8 dependent therefrom,

respectively, are patentable over the cited references for at least the above-stated reasons.

In view of the remarks set forth above, this application is in condition for allowance

which action is respectfully requested. However, if for any reason the Examiner should

consider this application not to be in condition for allowance, the Examiner is respectfully

requested to telephone the undersigned attorney at the number listed below prior to issuing a

further Action.

Any fee due with this paper may be charged to Deposit Account No. 50-1290.

Respectfully submitted.

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